

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 194

97TH GENERAL ASSEMBLY

0081H.07P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To amend chapter 143, RSMo, by adding thereto one new section relating to a tax deduction for job creation for new home purchasers.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 143, RSMo, is amended by adding thereto one new section, to be  
2 known as section 143.145, to read as follows:

**143.145. 1. As used in this section, the following terms mean:**

2 **(1) “Deduction”, an amount deducted from the taxpayer’s Missouri adjusted gross**  
3 **income pursuant to section 143.121 to determine Missouri taxable income for the tax year**  
4 **in which such deduction is claimed;**

5 **(2) “Purchase”, any conveyance to a taxpayer of fee simple ownership interest in a**  
6 **qualified principal residence made by deed executed by any person having authority to**  
7 **convey the same, or by his agent or attorney, and acknowledged and recorded pursuant**  
8 **to chapter 442 after the effective date of this section but before January 1, 2016;**

9 **(3) “Contract sales price”, the total price paid by a taxpayer for the purchase of a**  
10 **qualified principal residence;**

11 **(4) “Qualified principal residence”, any single-family residence located in the state**  
12 **of Missouri, whether detached or attached, that is owner occupied or will be owner**  
13 **occupied after purchase by the taxpayer claiming the deduction allowed by this section as**  
14 **his or her primary residence, for which construction began and has been completed**  
15 **between August 28, 2013, and December 31, 2015, and that has not been previously**  
16 **occupied. For the purposes of this section, a manufactured home, modular unit,**  
17 **recreational park trailer, or recreational vehicle as defined in section 700.010, shall not be**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 considered a single-family residence. For the purposes of this section, the value of land or  
19 any pre-existing structures on such land shall not be included in the value of such  
20 residence. The taxpayer shall submit an appraisal to the department that separately states  
21 the value of the land and any existing structures in order to claim the deduction;

22 (5) "Recapture period", the two taxable years beginning with the first taxable year  
23 following the taxable year in which the taxpayer occupied the qualified principal residence  
24 for which a deduction is allowed under this section, except that such recapture period shall  
25 be deemed to have expired immediately upon the date of the death of any person deemed  
26 a taxpayer under this section;

27 (6) "Taxpayer", an individual who purchases a fee simple ownership interest in a  
28 qualified principal residence during a taxable year and has not previously received a  
29 deduction issued pursuant to this section in any taxable year.

30 2. In addition to all deductions listed in this chapter, for taxable years beginning  
31 on or after January 1, 2013, and ending on or before December 31, 2015, a taxpayer shall  
32 be allowed a deduction for the purchase of a qualified principal residence in this state. The  
33 deduction amount shall be equal to the lesser of:

34 (1) One-third of the contract sales price of the qualified principal residence in this  
35 state; or

36 (2) One hundred sixty-six thousand six hundred sixty-seven dollars.

37 3. No taxpayer shall claim a tax deduction for the purchase of more than one  
38 qualified principal residence under this section. Such tax deduction shall be limited to a  
39 maximum tax benefit of ten thousand dollars.

40 4. If the amount of the deduction allowed under this section exceeds the total  
41 Missouri adjusted gross income for the taxpayer in the same tax year in which the  
42 deduction is allowed without taking into account the deduction allowed by this section, the  
43 amount that exceeds the total Missouri adjusted gross income for the taxpayer without  
44 taking into account the deduction allowed by this section may be carried forward to any  
45 subsequent tax year until the full deduction is claimed.

46 5. If a taxpayer disposes of his or her qualified principal residence for which a  
47 deduction was allowed under this section or such qualified principal residence ceases to be  
48 the principal residence of the taxpayer (and if married the taxpayer's spouse) before the  
49 end of the recapture period, then any remaining unused deduction shall be cancelled, and  
50 the taxpayer shall be subject to an addition to his or her Missouri adjusted gross income  
51 of any amount deducted under this section in any preceding tax year. The provisions of  
52 this subsection shall not apply in the case of a transfer of a qualified principal residence  
53 from an individual taxpayer to a spouse (or to a former spouse if the transfer is incident

54 to a divorce) or from an individual taxpayer to a grantor-trust or a single-member limited  
55 liability company owned by the taxpayer.

56 6. If a Missouri taxpayer self-constructs a qualified principal residence, such  
57 taxpayer shall be eligible for a tax deduction allowed by this section by satisfying the  
58 department of revenue's proof of documentation requirements to verify the contract sale  
59 price of a qualified principle residence.

60 7. The department of revenue shall establish the procedure by which the deduction  
61 provided in this section may be claimed and may promulgate rules to implement the  
62 provisions of this section. Any rule or portion of a rule, as that term is defined in section  
63 536.010, that is created under the authority delegated in this section shall become effective  
64 only if it complies with and is subject to all of the provisions of chapter 536 and, if  
65 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of  
66 the powers vested with the general assembly pursuant to chapter 536 to review, to delay  
67 the effective date, or to disapprove and annul a rule are subsequently held  
68 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
69 after August 28, 2013, shall be invalid and void.

70 8. Pursuant to section 23.253, RSMo, of the Missouri Sunset Act:

71 (1) The provisions of the new program authorized under this section shall  
72 automatically sunset December 31, 2015, unless reauthorized by an act of the general  
73 assembly; and

74 (2) If such program is reauthorized, the program authorized under this section  
75 shall automatically sunset December thirty-first one year after the effective date of the  
76 reauthorization of this section; and

77 (3) This section shall terminate on September first of the calendar year immediately  
78 following the calendar year in which the program authorized under this section is sunset.

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